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MAY 17, 1965

POLAND TO EMPHASIZE AGRICULTURE IN NEW PLAN

INDIA'S CASHEW INDUSTRY

LOWER FREIGHT RATES FOR MORE U.S. WHEATS

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Including FOREIGN CROPS AND MARKETS

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Processing cashew nuts is mainly a hand-labor job. Here Indian women crack each nut separately and remove kernel. See article on India's cashew industry, page 6.

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Poland's Next Five Year Plan To Emphasize Agriculture

With its goal to expand agricultural output 15 percent during 1966-70, Poland's new plan presents a strong challenge to the country's farm leaders.

By ROGER S. EULER
U.S. Agricultural Attaché, Warsaw

The major outline of Poland's forthcoming Five Year Plan (1966-70) is becoming apparent, although many of the details either have not been completed or announced. The known basic indicators, however, show that there will be a far greater investment in agriculture than in any period since World War II. At the same time, the goal for increasing agricultural production—by 14 or 15 percent over the 5 years—appears to be much more realistic than the 22-percent increase planned for 1961-65.

The increase in farm output is to be in both crops and livestock and is to come as a result of greater production efficiency, especially in the use of fertilizer. Toward this end, there will be a 60-percent boost in agricultural investment—the largest gain for any economic sector but still a smaller total expenditure than for industrial development.

No significant changes in land tenure are expected during the plan, and private farming will continue to play an important role in Polish agriculture.

Output goals high

For the first time, crops will be emphasized more than livestock, output to climb 17 percent compared with 11 percent for livestock.

One of the most ambitious aspects of the entire agricultural plan will be the effort to up output of the major grains (rye, wheat, oats, and barley) to 18.4 million metric tons by 1970—a level which would presumably eliminate virtually all grain imports. The grain is to come from increasing the average grain yield—by at least 30 percent to 21 quintals per hectare. Sowings are to remain about the same, with acreage increases of approximately 30 percent for wheat and 20 percent for barley at the expense of rye and oats.

Output of slaughter livestock (based on live weight) is scheduled to rise about 21 percent. Approximately 60 percent of this increase is supposed to come from cattle, and the rest from hogs; their number will be expanded to 12 million head and 14 million head, respectively, from the 1965 goals of 9.9 million and 13 million head. Increased milk production is planned through improvement of stock and feeding methods. The number of horses will be reduced by 300,000 from the 1965 goal of approximately 2.6 million head, while sheep numbers are to remain at the current level of about 3 million head.

Investment up sharply

Approximately 18.2 percent of all financial outlays has been tagged for agriculture, as compared with 14.0 percent for the 1961-65 period. In terms of "productive" investments, agriculture's share will be about 23.5 percent, which approximates the agricultural contribution to the national income. About 35 percent of the total investment in agriculture is to come from the resources of private farmers, which in part will come from state credits furnished to them.

One-fourth of all the funds to be invested in agriculture will be allocated to state farms, even though they hold only about 13 percent of the country's land. This has received official justification because of the role these units play in producing improved seeds and breeding animals. Priority for funds also is to be given to the government outlets that sell seeds, fertilizers, and other farm supplies.

Much of this investment will go for fertilizer. Use of chemical fertilizers is programed to rise from 49 kilograms of plant nutrients per hectare of arable land in 1964 to approximately 135 kilograms by 1970. A large portion of this increase is planned for the 1968-70 period because of the time needed for building fertilizer factories.

Mechanization plans are also fairly large, even though the agricultural labor force is expected to remain about the same. In general, officials hope that output of farm machinery (other than tractors) can be raised by at least 50 percent.

Output of tractors is scheduled to jump to 43,000 per year by 1970, from the 1965 goal of 22,500. Such production should supply agriculture with 140,000 tractors, of which 40,000 will go for replacing old units. Agricultural circles are to receive about 90,000 of these plus appropriate tractor-drawn machines. The government also plans to deliver to the farms greater numbers of horse-drawn machinery. In addition, between 5 and 6 percent of total agricultural investment will be allocated for strengthening machinery repair and service facilities.

Substantial sums also are to be spent for farm buildings (aside from houses) and for land improvement, the latter accounting for approximately 16 percent of all agricultural investment. Officials admit that both of these areas have been neglected badly for many years. Spending for the improvement of water supplies in the Polish countryside is also expected to be undertaken.

Little change in land tenure

Information to date indicates that there will be no significant changes in land tenure policies during 1966-70 and that the division of agricultural land will remain approximately the same as current levels—private farms, 86 percent; state farms and agricultural circles, 13 percent; and collective farms, only 1 percent.

There is some evidence that the role of individual farmers may be relatively greater than before, as top-level emphasis has been given peasant farms, especially ones larger than 7 hectares (17.3 acres). However, it is expected that more indirect control over private farming will be attempted through agricultural circles. These units are government-sponsored organizations of private farmers which promote mechanization and other joint ventures without affecting land ownership and which are intended

to educate and guide peasants in the direction of socialized farm activities. Despite official backing for nearly 6 years, these agricultural circles still encompass a minority of the private farm population—about 28 percent.

More contract marketing

Increased government contracting for purchasing harvested crops and livestock apparently is the biggest change planned in domestic marketing. At present, such buying affects crop production on only about 16 percent of the total sown area, but by 1970, it is scheduled to cover 30 percent. The government has also indicated that compulsory marketings of grains, potatoes, and livestock at current levels will continue to be required through 1970. Because the set prices paid by the government for compulsory deliveries are far below actual values, these marketings actually are a form of indirect taxation.

State buying in the limited "free market" will continue. In 1970, government officials hope to buy through their several channels the following percentages of total output:

	Percent		*Percent*
Slaughter livestock	78.3	Potatoes	12.2
Milk	36.3	Sugarbeets	100.0
Eggs	44.6	Oilseeds	92.8
Grains	41.7	Tobacco	100.0

Most important aspect of the plan's trade policy is the emphasis on eliminating grain imports. The magnitude of this task is pointed up by the some 3 million metric tons now being imported annually, at an equivalent cost of more than $200 million. As part of this attempt to achieve grain self-sufficiency by increasing yields, Poland plans to import larger quantities to supplement its domestic fertilizer production.

On the export side, foreign sales of agricultural products will continue to be very important—especially for their ability to earn hard currency—but agriculture's share will be relatively less than in the past, according to the plan, because of hopes for increased industrial exports. Another factor here is the reduced access to Common Market countries for Polish farm products. Past experience, however, indicates that Poland will continue to push agricultural exports aggressively, possibly even at the expense of the country's domestic consumption.

A formidable challenge

Successful fulfillment of these goals, which present a formidable challenge to Polish agriculture, will require much better effort than in the recent past.

Following the liberalized agricultural policies growing out of the "Polish October" in 1956—plus considerable help from importing significant quantities of commodities from the United States under Title I of Public Law 480—farm production began an important upward climb in 1957 which lasted several years. In the first year of the 1961-65 Five Year Plan, this growth continued, with agriculture enjoying a record postwar year. But output subsequently declined, and for the next 3 years remained below the 1961 levels.

Official indices show that production in 1964 was only about 7 percent above the 1960 total, far behind the pace required for the 22-percent boost once planned for the 1961-65 period. The goal for this last year of the current plan is a more realistic 2.7-percent increase from the 1964 level.

The forthcoming plan's goals, if realized, will mean a big step forward, but there appear to be numerous obstacles to full achievement of these goals.

Especially noteworthy is the plan's emphasis on increased use of fertilizer, particularly in view of the country's largely light, sandy soils. However, it is probable that too much is being expected, for even if scheduled domestic production of fertilizer is achieved—no small uncertainty—a sizable test will be ahead in the distribution and application of these fertilizers.

Provisions for raising the low level of farm mechanization are in response to obvious needs, including improvement of the weak facilities for servicing and repairing machinery. These plans do not appear to be geared adequately to the predominating small private farms, despite increased attention to needs for horse-drawn machines.

One positive aspect of the plan is the long-overdue recognition of the need for improvement of agricultural land and buildings.

The continuation of a large private farm sector, plus the increase in inputs, should also serve to strengthen agricultural production, especially if the private farmers' units can be increased in size a bit. The private farmer's fear of eventual collectivization, however, still is a major deterrent to his production efficiency, and this concern inevitably affects his reaction to governmental assistance programs.

At the same time, there remains much need for change in such areas as domestic marketing. The planned increase in government purchasing runs the risk of bringing further inefficiency to the marketing of farm products. Currently, there is much time and effort lost by farmers performing this function. Also, the continuation of compulsory marketing quotas for grains, potatoes, and meats will be disliked by the farmers involved and therefore tend to dampen their incentive to produce.

The goal to eliminate grain imports appears overly ambitious, especially in the view of the increases planned in hog and cattle production.

Taiwan Working To Increase Crop Yields

An intensive program of research, experimentation, and extension work in Taiwan is helping that country to boost yields of crops beyond the already high levels.

This program concentrates on the use of improved seeds, fertilization, irrigation, and methods of multiple cropping in order to make maximum use of the limited amount of arable land. It also stresses diversification.

Much success has already been made in upping yields of such important crops as wheat, corn, and rice. Improved cultural practices for rice, for instance, have resulted in yields that are 18 to 53 percent higher than those now generally obtained. If such improved practices were adopted throughout the island, yields could be raised to the level of Japan's, which are among the world's highest.

Although Taiwan is far from self-sustaining in total grain requirements, higher yields such as those for rice could reduce the extent to which that country must rely on U.S. grain under concessional programs.

Diversification is being brought about through the government's efforts to make production of alternative crops more profitable than that of traditional crops. For example, the per-acre profits for banana production are more than three times higher than for rice cultivation.

Heavy Imports From U.S. Boost Japan's Fats Consumption

Record imports by Japan of U.S. soybeans, safflowerseed, and tallow in 1964 kept that country a top-ranking U.S. market for all three products and the United States its No. 1 supplier. Japan got two-thirds of its edible oilseed imports from U.S. sources, as well as more than four-fifths of its imports of animal fats.

Stimulating these sales were the expanding demand of Japan's feed industry for oilcake and meal, plus a continued rise in per capita consumption of fats and oils for food. Japan's total use of edible fats in both food and industry jumped by 11 per cent between 1963 and 1964.

Events on the Japanese soybean market

In general, developments in Japan's fats and oils industry added up to good news for U.S. exporters by the end of 1964, though the industry itself had some problems to combat during the year. In January and February 1964, prices of U.S. soybeans were relatively high because of the general firmness of the U.S. agricultural commodity market during the latter months of the marketing year 1963-64 (October-September). Japanese crushers' margins during the first half of 1964 were reported the lowest in 10 years, though they have now returned to normal levels. This price firmness for soybeans, however, favored an increase in imports of safflowerseed—all from the United States.

During the summer of 1964, a burdensome accumulation of soybean oil discouraged soybean imports; soybean oil prices by September had slumped to a 2-year low. The late fall, however, saw abnormally large purchases of soybeans for shipment in late November and early December, in anticipation of the U.S. shipping strike. Yearend stocks were above the previous year's.

By February 1965, soybean oil prices had rebounded to a 2-year high, probably in response to the effect of the U.S. strike (during late December 1964 and January-February 1965) upon U.S. soybean prices. The very firm market in Japan for oils and meal that resulted from these high U.S. prices is currently favoring the utilization of the lower priced beans from Communist China (customarily destined for use mostly in the manufacture of soybean food products rather than for crushing).

Fats and oils consumption in food rising

In 1964, Japan's total consumption of fats and oils for food amounted to about 705,000 metric tons, or 16 pounds per capita—about 7 percent more than a year earlier and 57 percent more than in 1960. This upward trend is expected to continue for the foreseeable future. It was encouraged by the fact that Japan's rate of oil consumption was still low compared with that of other developed countries, so there was room for growth; by the rapid improvement of consumer incomes and levels of living; by the shift in eating habits, toward Western-type foods utilizing more fats and oils; and by relative stability in consumer costs of fats and oils.

Most of the increase in the consumption of fats and oils for food has been in the form of vegetable oils for cooking—chiefly soybean oil. Cottonseed oil is the major exception; it is used largely for salad oil and in making mayonnaise, production of which has been increasing. Last summer saw a slackening demand for mayonnaise, which in turn discouraged imports of cottonseed oil nonetheless; imports of this oil (all from the United States) rose during the year.

Margarine, manufactured in Japan largely from tallow and from fish and whale oil, is not yet very popular there. The industry is trying out ways to improve its quality—including the utilization of more vegetable oil (particularly soybean oil) in production—and to promote its consumption, both industrial and household.

Japan's production of refined lard showed a striking 40-percent gain in 1964. Raw materials were 54 percent imported hog grease (nearly all from the United States), 27 percent imported tallow (largely from the United States), and 19 percent domestic hog fat.

Long-term consumption outlook

For 1965, fats and oils consumption has been forecast at 763,000 tons, or a little over 17 pounds per capita, which represents another 7-percent increase. It is only reasonable to expect, however, that in future years this high rate of increase will gradually fall as the level of consumer income rises; for people will tend to spend a smaller part of their total income for necessities such as food and a larger part for other purposes.

Per capita consumption of edible fats and oils in Japan is only about a third as high as in the United States. The difference in eating habits makes it unlikely that Japan's fats consumption will rise to the U.S. level. Still, there is reason to expect a considerable increase.

Since domestic production of fats and oilseeds is not expected to increase substantially, and since whale-oil production cannot be expanded because of the international conservation commitments, Japan will need larger imports of fats and oil-bearing materials to meet its increasing requirements. In particular, it will have an increased demand for soybeans, which yield high-protein meal and vegetable oil about in proportion to the expanded needs for both in the Japanese economy.

Short-term prospects and plans

In 1965, Japan will probably increase its imports of soybeans, cottonseed, copra, tallow, cottonseed oil, rapeseed, and mustardseed. Its imports of safflowerseed, however, may decline if the United States—almost its only supplier—has less for export. Consolidation of the Japanese rice-bran oil industry will raise the production of oil from domestically produced rice bran by increasing the availability of bran; and domestic production of butter and animal fats and oils will also rise slightly.

Some changes in the Japanese fats and oils industry are in view. Several important firms are expanding their operations, anticipating that the present trend toward increased utilization of oilseeds and other oil-bearing materials will continue. One of the most prominent firms has entered into a joint venture with a major international oil industry firm. Arrangements like this provide funds, know-

(Continued on page 16)

Based on material supplied by the Office of the U.S. Agricultural Attaché, Tokyo, and by commodity specialists of the Foreign Agricultural Service.

India Fears It May Lose Its Cashew-Processing Monopoly

Mechanical processing equipment now being developed may drastically cut back this profitable export business employing thousands of hand workers.

By JAWHAR A. THADANI, *Analyst*
Office of U.S. Agricultural Attaché, Bombay

The cashew nut, grown in East Africa and India and extremely popular with Americans, is India's second most important dollar earner, exceeded only by jute. Last year nearly 53,000 metric tons of cashew kernels, worth $56 million, were exported, slightly over half going to the United States. In addition, India shipped $4.3 million worth of a byproduct, cashew shell liquid, of which 45 percent was bought by the United States.

Although India is the world's leading exporter of these products, it is not the world's largest grower. Only about one-third of the world's supply of raw cashew nuts are produced in India: the other two-thirds are grown in East Africa—mainly Mozambique but some in Kenya and Tanganyika. But because India has perfected the labor-intensive processing of the nut, it buys most of the East African crop, hence its big export business which now is being threatened by the development of mechanical processing equipment.

The cashew tree, believed to have been brought to India from Brazil by Portuguese missionaries some 400 years ago, grows wild on uncultivated hilly tracts over large parts of southern India, tolerating poor soil and wide climatic variation. An evergreen reaching 30 to 40 feet in height, it begins bearing at 5 years and attains maximum productivity at 10. An acre will average about 80 trees, with a mature stand yielding about 550 pounds of raw nuts.

What distinguishes the cashew from all other fruit trees is the formation of the nut which grows as an appendage at the bottom of the "apple." Little use has been made of the fruit, though it is rich in Vitamin A. The cashew kernel contains 2,545 calories to a pound, 50 percent more than in a pound of sugar; also, a pound of kernels is 30 percent higher in protein than a pound of beefsteak.

Nuts largely hand-processed

Considerable hand labor is required to process the raw nuts. The roasting, which is the first step, in modern factories is generally done by an oil-bath process, but from then on the rest is largely handwork. In a typical factory hundreds of women sit on the ground in orderly rows, each picking up a single roasted nut, striking it gently with a light wooden mallet on a small stone or brick, and then carefully extracting the kernel. To protect her hands from the shell liquid, each woman keeps her fingers smeared with ashes. She can usually shell from 30 to 35 pounds of nuts a day.

The kernels next are dried in ovens to loosen the thin brown seed-coat, which is then removed from each nut by hand and with extreme care, to avoid breakage. This is followed by grading, in which the kernels are classified into wholes, brokens, and browns, and the wholes into various counts; i.e., cashews of 240-count mean 240 kernels to a pound. The kernels are packed into 25-pound airtight tins which have been charged with carbon dioxide gas, and finally into a wooden case for export. Under an Indian quality-control program introduced in 1963, only certified cases bearing proper quality and grade markings are exported.

Until recently India had a virtual monopoly on cashew processing because of the huge amount of hand labor required and the availability of large numbers of workers at low wages. About three-fourths of India's 250 cashew factories are in the State of Kerala on the southwest coast, the most densely populated part of India. The cashew industry employs 165,000 workers, or 42 percent of total factory employment in Kerala.

Machines now operating

Today there is great concern that India's processing monopoly may be lost. For many years, efforts have been made to develop processing equipment in Europe and elsewhere, and now it appears that some success has been achieved. Although these machines are costly and break more of the kernels into pieces, a factory in Mozambique is now using them, and others are said to be operating in Portugal, Kenya, and Tanganyika. This reportedly has led to a considerable part of the Mozambique crop being diverted from its former movement to India to processing at home, or in Portugal, the mother country.

Faced with this situation, India is striving to grow more cashews domestically. Although statistics vary somewhat, they indicate that there are about 1 million acres of cashew trees, of which 375,000 are already in the bearing age or over, with the rest coming into bearing before 1970.

Most of the trees bearing now are in Kerala, Madras, and Mysore in southern India, while many of the new trees are on the coast of Maharashtra State in which Bombay is located. This State is to have half a million trees by 1966, of which 192,000 had been planted by September 1963. Thus, it is hoped by 1970-71 to raise India's production of raw nuts from the current 80,000 metric tons to 200,000 tons, as the volume of raw nuts now reaching the Indian market is said to be far short of the country's processing potential. A better collection and marketing system is also badly needed.

Exports show big rise

The growing popularity of cashews on the world market is attested to by the fact that India's exports of kernels increased from 1.3 million cases (50 lb. net) in 1953 to over 2.3 million cases in both 1963 and 1964, and are expected to go still higher this year.

Many more cashews undoubtedly could be sold on world markets, particularly in Western Europe. The United States, though its purchases have not shown much change in recent years, is still the largest buyer, taking about 1.2 million cases annually, or over half of India's entire

Below, cashew nuts grow as an appendage at bottom of apple. Right, tins of nuts are infused with carbon dioxide gas and then sealed for shipping. Bottom, checking count of the graded kernels before packaging.

export. For India, with its precarious foreign exchange position, this is extremely important.

Exports to the USSR and Eastern Europe now total around 600,000 cases a year compared with 256,000 cases in 1961, and these shipments account for practically all of the gain in Indian kernel exports in the last 3 or 4 years. About two-thirds of the total goes to the USSR and the remainder largely to East Germany. These countries ship tractors, machine tools, and other equipment to India for payment in rupees, which are used for purchasing whatever is available on the Indian market. The United Kingdom, Australia, and Canada are also important markets for Indian cashews.

Prices also mounting

Prices for cashew kernels are influenced by the supply situation in East Africa and by the availability and prices of other nuts which go into mixtures; also, the increased buying by the Communist countries has contributed strongly to demand in the last few years. Prices for kernels (320 count) rose from an average of 47 cents per pound (c. & f. New York) in 1963 to 70 cents in August 1964, but since then have declined to around 60 cents.

Rising too is the demand for cashew shell oil, which is used in making plastic tapes, lacquers, varnishes, resins, brakelinings, and other products. India's Export Promotion Council has been promoting the oil with considerable success. Exports in 1963 totaled 8,049 metric tons valued at $2.1 million, whereas last year they numbered 13,400 tons valued at $4.2 million.

SUPPLY OF RAW CASHEWS IN INDIA

Calendar year	Produced in India	Imports: Portuguese E. Africa	Imports: Kenya & Tanganyika	Imports: Total	Total supply
	Long tons	*Long tons*	*Long tons*	*Long tons*	*Long tons*
1961	65.0	84.5	44.8	129.3	194.3
1962	65.0	81.8	49.3	131.1	196.1
1963	75.0	100.6	61.2	161.8	236.8
1964	80.0	125.7	54.5	180.2	260.2
1965[1]	80.0	([2])	([2])	170.0	250.0

[1] Forecast. [2] Not available.

EXPORTS OF CASHEWS FROM INDIA

Destination	1961	1962	1963	1964
	Cases[1]	*Cases*[1]	*Cases*[1]	*Cases*[1]
United States	1,117,742	1,141,600	1,290,177	1,213,866
Soviet Bloc:				
USSR	167,311	232,627	394,627	441,468
Germany, East	75,221	153,459	155,635	145,193
Other Bloc areas	13,901	67,566	73,820	22,461
Total Soviet Bloc	256,433	453,652	623,519	609,122
United Kingdom	149,339	114,755	107,343	157,545
Canada	71,777	61,904	74,802	74,073
Australia	58,089	63,615	76,076	85,613
Others	150,244	202,757	180,962	192,306
Grand total	1,803,624	2,038,283	2,352,879	2,332,525

[1] 50 pounds net. Source, Government of India, *Monthly Statistics of the Foreign Trade of India.*

Western Europe Expecting Another Good Winter Wheat Crop

Prospects are favorable for the production of a large wheat crop in Western Europe in 1965. Acreage is up in several important producing countries, and despite intermittent spells of unseasonably cold weather over much of the continent this spring, crop conditions are generally satisfactory.

Largest increases in area in the important winter wheat crop occurred in France, Spain, the Netherlands, and the United Kingdom.

France expects to harvest an unusually large crop. Winter wheat acreage—up 2.8 percent—exceeds the previous record of 1962. Since good yields are in prospect for all wheat, the crop could be in excess of the record 1962 production of 509 million bushels.

Spain's acreage increased 7 percent over the year before. The general agricultural situation is good, though moisture conditions remain spotty.

Wheat acreage in the *Netherlands* is even larger than the 1964 record of 374,000 acres. A 1.9-percent increase in the acreage of winter wheat more than offset a decline in spring plantings. Crop prospects were quite favorable, with adequate moisture and sunshine.

The *United Kingdom* also expects to harvest a good wheat crop. The winter crop was the largest ever seeded. However, acreage of the spring crop is expected to be less than that of a year ago. Though cold spells have delayed growth, latest reports were that warm, sunny weather improved crop prospects.

A good crop is expected in *Italy* also, according to trade reports. Durum acreage increased, but this gain was offset to some extent by a decline in plantings of other types of wheat. Weather was generally favorable for seeding.

The fall-sown wheat acreage of *West Germany* was slightly larger than the record 3.6 million acres in 1964. Progress of the crop has not been reported.

In *Greece*, crop conditions early in the season were reported favorable. Even though the wheat acreage declined 10 percent, achievement of per-acre yields comparable to those of 1964 could result in a near-record wheat production.

Acreage planted to wheat in *Sweden* is estimated to have increased about 11 percent over 1964's. The favorable conditions experienced during seeding operations continued into the spring. Although the very high yields attained from the 1964 outturn cannot be expected, a near-record harvest may be possible.

In both *Austria* and *Belgium*, acreage in fall-sown wheat —the larger of the two yearly wheat crops—declined by 3 percent. Early crop development in Austria was reported to be above average. Further information on these crops will soon be available.

Portugal's wheat acreage is also 3 percent below that of 1964. Crop prospects were very promising following favorable conditions during the winter and early spring. However, in late April, all grain crops suffered severely from lack of rain, hot weather, and dry winds.

—L. THELMA WILLAHAN
Grain and Feed Division, FAS

Dry Weather in Australia Causes Concern for Crops and Pastures

A prolonged dry season in several parts of Australia for the past few months is seriously threatening crops, pastures, and the livestock situation for 1965-66 and possibly also for 1966-67.

Much of the region affected by the lack of rainfall is located in Queensland, Northern Territory, and South Australia. Eastern and southern Queensland and fairly extensive wheat and livestock areas of New South Wales are particularly affected. Continued lack of moisture in these areas during the next few months could lower Australia's output of wheat, sugar, wool, and dairy products for the 1965-66 season and might have an effect on livestock prospects for 1966-67.

The outlook for pastures and feed for livestock in Queensland and New South Wales is particularly grave. No moisture was received during the summer, normally a rain season. The next so-called rain period is not expected until the spring months, October or November. Although Queensland's livestock are still in fair condition, with the absence of sufficient rainfall, losses can be expected by June. Some increase in slaughterings has been noted, but the extent of this increase will be governed by packing-plant facilities to handle extra livestock. About 75 percent of Queensland's beef and dairy cattle are reported located in the dry regions.

Unless widespread and relatively heavy rains develop in the next few weeks, a significant part of the large acreages of wheat planned for 1965 planting in New South Wales and Victoria will not be accomplished. Another 2 to 3 inches of rain will be needed to assure the planting of wheat areas in New South Wales. Moisture conditions are generally good in Victoria, but more rain is needed during the next few weeks for the proper preparation of the ground for planting of all grains.

Only scant rainfall from 1 to 2 inches was recorded in the coastal areas, central tablelands, and southwest slopes of New South Wales in April. This moisture was too little and too late to promote pasture growth. Water supplies are limited, and general conditions for livestock in the dry areas of New South Wales are not good for the carryover through the winter season now beginning.

Other critical dry pasture areas are the southern and eastern portions of Northern Territory and northern South Australia, much of which has been in a drought state for a number of years. Despite a possible record wool production in 1964-65, the volume of both the 1965-66 and 1966-67 wool clips could be greatly reduced as a result of drought effects on sheep numbers.

Some crops in Queensland have already suffered from drought. Sugar areas south of MacKay are in poor condition. These areas normally account for about 20 percent of Australia's total sugar output. Corn crops in southeastern Queensland have also suffered from hot, dry weather conditions.

—MARY E. LONG
Foreign Regional Analysis Division
Economic Research Service

Delegates Gathering in Washington To Develop World Promotion-Research Program for Cotton

Plans for an international cotton promotion and research program will be drawn up this week, May 17-19, at a meeting in Washington, D.C., of representatives from some 30 of the world's cotton producing and importing countries.

Discussion will center on the proposals originally put forward at last November's meeting in Paris, and later taken up at regional meetings of producing countries in Mexico City (the Americas), and Cairo (Middle East, Asia, and Africa).

Board membership criteria

Among the tasks confronting delegates in Washington is that of determining the criteria by which countries will be given seats on the Executive Board, charged with the program's administration. The Mexico City conferees said that representation on the board should be on a regional basis, with the United States holding a position as permanent member.

Believing this approach could result in a board with almost as many members as the proposed General Assembly—where all participating countries would be represented—the delegates at Cairo recommended board membership based largely on the type of cotton produced. They called for one director from the extra-long-staple countries, one from the extra-short-staple exporters, and three to five directors from other exporting countries, including the United States.

Another issue will be voting rights in the General Assembly—whether votes should be directly proportionate to a country's financial contribution to the program, or whether a weighted basis would be more acceptable. Other suggestions included voting strength based on type of cotton produced.

Financial support

Contributions to the promotion fund are also a subject for debate. Some delegates feel that the money a country is currently spending on cotton promotion should be considered a part of its obligation to the international promotion, but others feel that contributions should be based on all exports to the areas where promotion is to be carried on.

Accord on need for promotion

At both the Mexico City and Cairo meetings there was a general consensus of opinion that a broadly based research and promotion program should be undertaken immediately to improve cotton's competitive position in world textile markets, where man-made fibers continue to make deep inroads.

When the Washington meeting adjourns this week, it is hoped that delegates will be in a position to indicate whether their governments intend to participate in an international program, the launching of which will require the participation of countries whose exports add up to at least two-thirds of West European-Japanese trade in cotton. According to the tentative timetable, governments would then have until the end of November to ratify their acceptances.

Crowds of Japanese Farmers Inspect U.S. Livestock and Feeds at Fair

Busloads of Japanese farmers were among the thousands who came daily to Japan's first International Livestock Show where U.S. feedstuffs and breeding animals were on exhibit.

The month-long event that closed 1 week ago today at Chiba Prefecture drew an estimated quarter of a million visitors. For many, it was their first opportunity to see identifiable U.S. feeds and livestock.

In what was the first major promotion of U.S. registered livestock in Japan, 70 pedigreed animals—cattle as well as Landrace, Hampshire, and Yorkshire swine—were displayed alongside the entries from Canada, Great Britain, Australia, and New Zealand.

On hand to discuss the advantages of U.S. cattle breeds were representatives of the American Jersey Cattle Club, the American Hereford Association, and the American Angus Association.

Inside the modern exhibition building, the entire ground floor was devoted to U.S. feed exhibits demonstrating the value of feed grains, soybean meal, and tallow in high-energy rations. Visitors were urged to submit written queries on these products, for followup by the U.S. exhibitors: the American Soybean Association, the National Renderers Association, and the U.S. Feed Grains Council.

Japanese Ministry of Agriculture officials and livestock association members inspect a registered Angus bull at the U.S. exhibit in Japan. The bull—along with 69 other U.S. purebred animals typical of their breeds—was later put on sale at a moderate price. A minimum figure had been guaranteed by the show sponsor.

Railroads Seek Lower Freight Rates on More U.S. Wheats

In a move to make U.S. spring and durum wheats more competitive in Far Eastern markets, three western railroads have applied to the Interstate Commerce Commission for reduced freight rates on wheats moving to the west coast.

The action comes at a time of stepped-up efforts by the U.S. wheat industry to introduce its Hard Spring and durum wheats in Japan. The spring wheat market is held largely by Canadian Manitobas; durum is entirely new to the Japanese.

The proposed reductions of up to 25 cents a hundredweight would apply to all wheat, including spring and durum, being transported from the major producing areas in Montana and the Dakotas to ports in the Pacific Northwest.

The amount of the cuts would vary with the locations of shipping points. For example, the current rate to the west coast of 95 cents a hundredweight for wheat moving from Grand Forks, North Dakota—in the eastern part of the State—would be reduced by the full 25 cents, but the rate from Glasgow in central Montana—now 93½ cents—would be cut by about 3 cents.

If the ICC grants the approval, the rates are scheduled to become effective on June 11. May 31 is the deadline for filing protests.

The railroads are the Northern Pacific Railway, the Great Northern Railway, and the Chicago, Milwaukee, St. Paul & Pacific Railroad. This is the second time in a year's period that these lines have applied for lower rates, but the previous proposal was for a blanket reduction for shipments from all points such as the reduction on those of U.S. Hard Red Winter wheat from Kansas and Nebraska to the west coast.

The net effect of these measures would be to put U.S. spring and durum wheats in the Far East at more competitive prices, and to permit better utilization of railroad cars used to haul lumber eastward—about half of which now make the return trip without cargoes.

Meanwhile, the market development program of Western Wheat Associates has been working to introduce U.S. Hard Spring and durum wheats in Japan, No. 1 commercial market for U.S. wheat exports.

The Japanese Food Agency is now at the midpoint in a series of milling and baking tests on a trial shipment of 1,200 metric tons of U.S. No. 2 Dark Northern Spring wheat, and in June it will start testing 770 tons of U.S. No. 2 Hard Amber Durum imported early this month. Test results will be used by the Food Agency to determine the wheats' acceptability and to establish domestic retail prices.

Most of Japan's needs for spring wheat for use in breadmaking are being met by Canada, which normally sells Japan about 1 million tons a year. Of the 1.6 million tons of U.S. wheat exported to Japan in JFY April 1964-March 1965, roughly half consisted of Hard Red Winter and the remainder was Western White.

U.S. Poultry's Exhibit at Madrid Farm Fair Is Timely as Spain Drops Poultry Import Duties

Spain's recent suspension of all duties on frozen broiler imports for 2 months beginning April 16 is expected to increase markedly the effectiveness of the U.S. poultry industry's participation in the International Farm Fair at Madrid, May 21-June 21. Imports are to be unrestricted so long as internal prices remain above a level now set at 35 cents a pound.

Anti-inflationary in intent, the move is timed to meet the greatly increased demand for poultry meat—as well as other protein foods—resulting from the anticipated arrival in Spain during this year's tourist season of some 10 million or more visitors. (Last year's figure hit 11 million.)

The new regulations were urged by Spain's poultry industry cooperative, ANSA (Asociación Nacional Sindical Avicola), according to Edward Quinones, Assistant U.S. Agricultural Attaché at Madrid, in order to avoid the extreme price fluctuations the poultry industry has experienced in the last few years. ANSA—which represents all segments of Spain's poultry industry—does not want prices to go above a certain level because of the added production this creates.

Poultry production has grown swiftly in Spain and, by and large, is sufficient to meet current domestic needs, but insufficient to meet those of the yearly influx of tourists equal to more than one-third of the Spanish population.

Price is an important factor in Spain's poultry imports. An import tender issued on April 2 for 700 tons of poultry meat was reportedly filled by the Dutch with a bid of 29 cents a pound c.i.f. Bilbao (aided by an EEC export subsidy to third countries of over 3 cents per pound). Last year, the Dutch sold little or no poultry to Spain, Denmark being top source with exports of about 1 million pounds. U.S. exports were 84,000 pounds.

This year—so long as import duties are suspended and domestic prices hold at the specified level—U.S. poultry should have a greater opportunity to compete for the Spanish market, with the industry's exhibit at the Madrid fair providing a valuable focal point for current promotional efforts.

Other U.S. commodities being exhibited at the fair—each either already enjoying a substantial share of the Spanish import market, or with good prospects for future gains—are beef, feed grains, soybean oil for table use and soybean cake and meal in livestock feed, tallow, dairy products, and convenience cake and pancake mixes using U.S. wheat.

Rhodesia Plans Tobacco Office

The Tobacco Export Promotion Council of Rhodesia (TEPCOR) has announced plans to open its first office overseas in Amsterdam, the Netherlands, according to the U.S. Agricultural Officer in Salisbury.

TEPCOR said the new office, to begin operations in August, will enable the Rhodesian tobacco industry to maintain closer contacts with key trading centers in the world as well as with the Common Market headquarters in Brussels. The Common Market is Rhodesia's second largest market after the United Kingdom.

Canada Has Record Flue-cured Exports

Canada's 1964 exports of flue-cured tobacco totaled 48.7 million pounds—up 37 percent from the 35.6 million shipped out in 1963.

The United Kingdom, as usual, was the biggest purchaser, taking 33.8 million pounds, compared with 27.8 million in 1963. West Germany, with 3.2 million last year, ranked second.

For the first time, important purchases of Canadian flue-cured leaf were made by the Soviet Bloc countries—including the Soviet Union and Czechoslovakia, whose combined takings totaled 3.7 million pounds. Some of the exports consisted of tobaccos from the 1961 and 1962 crops, not sold at the regular auctions.

Average 1964 export prices per pound for Canadian flue-cured, in terms of U.S. equivalents, for major markets were the United Kingdom 75.7 cents; West Germany 50.5; the Soviet Union 37.1; Japan 62.7; Denmark 63.8; and Czechoslovakia 54.8.

CANADIAN EXPORTS OF FLUE-CURED TOBACCO

Destination	1962	1963	1964[1]	Av. export price in 1964
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*U.S. cents per pound*
United Kingdom	34,467	27,814	33,756	75.7
Germany, West	5,375	2,499	3,200	50.5
Soviet Union	---	---	2,712	37.1
Japan	---	---	1,468	62.7
Denmark	77	572	1,013	63.8
Czechoslovakia	---	---	1,000	54.8
Belgium-Luxembourg	575	775	942	31.1
Netherlands	1,124	742	764	35.2
United States	1,489	423	548	32.3
Australia	973	493	335	90.1
Malaysia	34	143	322	80.2
Portugal	48	122	294	21.1
Ireland	59	78	255	74.5
Hong Kong	167	381	238	23.7
Norway	149	345	225	63.8
Sweden	90	375	214	51.4
Others[2]	2,177	830	1,388	---
Total	46,804	35,592	48,674	67.7

[1] Preliminary. [2] Mainly Caribbean area.

Belgium's Output of Tobacco Products Up

Belgian output of tobacco products during 1964 totaled 60.4 million pounds—up 4.5 percent from the 57.8 million produced in 1963. Continued increases in production of cigarettes, cigars, and cigarillos more than offset declines in smoking mixtures, snuff, and chewing tobacco.

Cigarette output rose to 14,027 million pieces from 13,465 million in 1963. Cigar production amounted to 369 million pieces, or up almost 29 percent from the 287 million produced during the previous year, and cigarillos rose to 1,061 million pieces from 863 million. However, combined output of other products, at 16.2 million pounds, was down 2.7 percent from the 1963 level of 16.7 million pounds.

Leaf usings by manufacturers totaled 68.3 million pounds—up 6.2 percent from the 64.4 million used in 1963. Domestic leaf represented 7.4 percent of total usings, compared with 7.3 percent in 1963. Leaf used in the production of cigarettes accounted for 55.5 percent of total usings, while that used in the production of cigars and cigarillos accounted for 17.5 percent compared with 14.7 percent in 1963.

Cigarette sales last year, at 12,791 million pieces, were up 3.8 percent from the 12,325 million pieces sold in 1963. Sales of cigars were up 13.5 percent, and cigarillos, 21.7 percent. Combined sales of other products were down 2.8 percent.

Austria's Tobacco Imports Drop

Austria's imports of unmanufactured tobacco in 1964 totaled 22.3 million pounds—7 percent below those for 1963. A drop in purchases from Rhodesia, Turkey, Brazil, and Mainland China more than offset larger imports from Greece and the Philippines. Imports from the United States were steady at about 4.4 million pounds.

Major suppliers of leaf to the Austrian market last year included the United States 4.4 million, Bulgaria 3.4 million, Rhodesia, Zambia, Malawi 3.2 million, Greece 2.9 million, the Philippines 1.8 million, and Brazil 1.8 million.

Average prices paid to major suppliers in 1964, in terms of U.S. cents per pound, were the United States 78, Bulgaria 45, Rhodesia 51, Greece 76, the Philippines 21, and Brazil 22.

AUSTRIA'S IMPORTS OF UNMANUFACTURED TOBACCO

Origin	1962	1963	1964
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
United States	6,478	4,427	4,429
Bulgaria	2,038	3,414	3,420
Rhodesia, Zambia, Malawi	1,455	4,179	3,232
Greece	2,970	1,517	2,874
Philippines	916	58	1,841
Brazil	411	2,174	1,829
Turkey	2,040	2,549	956
China (Taiwan)	406	1,028	469
Hungary	695	309	463
Paraguay	88	243	403
Yugoslavia	198	220	375
Indonesia	227	199	274
Japan	8	220	267
India	1,150	17	66
China, Mainland	348	1,037	---
Others	3,953	2,490	1,410
Total	23,381	24,081	22,308

Denmark Produces Fewer Cigarettes

Denmark's output of cigarettes in 1964 dropped to 5,800 million pieces from 5,979 million in 1963—a decline of 3 percent. Output of cigars and cheroots, however, rose moderately to 302 million pieces from 291 million in 1963. Cigarillos showed a substantial gain—to 895 million pieces from 804 million—as did smoking and cut tobaccos (for pipes and cigarettes)—to 6.2 million pounds from 5.1 million.

Sales to consumers followed the pattern of manufacture. A decline in cigarette sales to 5,300 million pieces from 5,600 million in 1963 was mainly attributed to a rise in the excise tax rates on cigarettes in early 1964 plus a reduction in the rates on smoking tobacco and cigarillos.

Also, widespread publicity was given to the U.S. Government's report on *Smoking and Health*, released in early 1964.

Consumption of filter-tipped cigarettes continued to increase in 1964, accounting for 38 percent of the total against 35 percent in 1963 and 31 percent in 1962.

Frost Damages New Zealand's Tobacco Crop

Heavy frost damage in late February and early March is reported to have destroyed about 650,000 pounds of New Zealand's 1965 tobacco crop. As a result, it is likely that total production for 1965 will be below the record 9.4 million pounds harvested a year ago.

Ireland's Tobacco Imports Down Slightly

Ireland's imports of unmanufactured tobacco in 1964 were 14.1 million pounds, compared with 14.3 million in the previous year.

The decline in 1964 imports was mainly attributed to a decline in arrivals of U.S. tobacco, to 12.4 million pounds from 13.1 million in 1963. This drop more than offset larger purchases from Rhodesia-Zambia-Malawi—707,000 pounds in 1964, compared with 443,000 in 1963. Other suppliers of tobacco to the Irish market in 1964 included Canada 337,000 pounds, India 325,000, and the Republic of South Africa 196,000.

Spanish Cigarette Sales Rise

Sales of cigarettes manufactured by the Spanish Tobacco Monopoly totaled 29.3 billion pieces in 1964—a gain of 3.4 percent from the 28.4 billion for 1963. The Monopoly's sales of cigars also rose, from 167 million in 1963 to 207 million last year. Consumption of cut tobacco, however, at 9.2 million pounds, was off by 20 percent.

In addition to sales of Monopoly-made tobacco products, large quantities of imported products are purchased by Spanish consumers. In 1964, such imports included several billion cigarettes manufactured in the Canary Islands, about 1.5 billion cigarettes made in the United States, and some 130 million cigars from the Canary Islands and Cuba.

Israel Imports More Tobacco

To offset the shortfall in domestic supplies available from its 1963 tobacco crop—damaged by blue mold—Israel sharply stepped up its tobacco imports in 1964. At 5.1 million pounds, imports last year were 65 percent larger than the 3.1 million for 1963. Greece was the largest supplier in both 1963 and 1964. Other major suppliers included Turkey, Bulgaria, and the United States.

ISRAEL'S IMPORTS OF UNMANUFACTURED TOBACCO[1]

Origin	1962	1963	1964[2]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Greece	1,025	888	1,384
Turkey	553	800	1,303
Bulgaria	437	571	1,226
United States	454	514	650
Yugoslavia	196	165	148
India	---	110	212
Others	102	60	183
Total	2,767	3,108	5,106

[1] Includes tombac. [2] Preliminary.

Japan Boosts Its Tobacco Exports

Japan's 1964 exports of unmanufactured tobacco, at 15.6 million pounds, were 22 percent larger than those for 1963. Most of the exports consisted of burley and native light air-cured leaf.

Burley exports from Japan last year totaled 10 million pounds, with virtually all—9.2 million pounds, at an average price equivalent to 50 U.S. cents per pound—going to West Germany. Minor purchasers included Hong Kong, Austria, Norway, and the Ryukyu Islands.

Native light air-cured exports totaled 3.7 million pounds with major purchasers including Belgium, West Germany, the Netherlands, and France. Exports of flue-cured, at 1.9 million, were destined entirely to the Ryukyu Islands.

JAPAN'S EXPORTS OF UNMANUFACTURED TOBACCO

Destination	1962	1963	1964
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Germany, West	7,738	5,689	9,830
Ryukyu Islands	3,754	3,250	3,851
Belgium	352	728	661
Hong Kong	437	267	410
France	---	---	304
Austria	---	---	265
Netherlands	280	346	236
Norway	560	635	40
Switzerland	---	---	40
Egypt	1,380	1,333	---
Tunisia	470	545	---
Soviet Union	1,764	---	---
Others	104	---	---
Total	16,839	12,793	15,637

Japan Monopoly Corporation.

Israel's Cigarette Consumption Up

Israel's 1964 cigarette sales totaled 6.8 million pounds—up 12 percent from 1963. Cigarettes account for about 96 percent of all tobacco products consumed in Israel, with imported cigarettes representing about 7 percent of the total.

The trend toward filter-tipped cigarettes continued in 1964; that year a little more than 50 percent of total domestic output consisted of filter-tips.

Greek Cigarette Consumption Increases

Cigarette consumption in Greece continued its upward trend during 1964, rising 1.5 percent above the 1963 level to 29.8 million pounds.

Filter-tips accounted for 15.2 percent of total cigarette sales in Greece last year, compared with 9.4 percent in 1963 and 5.7 percent in 1962. These are produced only in the Semi-Luxury, Luxury, and Super-Luxury brands, which retail for the equivalent of 28.3, 33.3, and 40.0 U.S. cents, respectively, per pack of 20.

Italian Output and Sales of Tobacco Products Rise

Output of tobacco products by the Italian Tobacco Monopoly during 1964 totaled 142.7 million pounds—up 5.4 percent from the 135.3 million produced in 1963. Production of all products, except cut tobacco and snuff, was up from the previous year.

Cigarette production totaled 129.8 million pounds, compared with 122.7 million in 1963. Production of cigars was up 22.1 percent, cigarillos 12.7 percent; the output of cut tobacco and snuff was down 2.4 and 10.3 percent.

Combined sales of domestic-made and imported products last year totaled 142.5 million pounds, compared with 141.1 million in 1963. Sales of domestic-made cigarettes amounted to 125.1 million pounds—up 1.6 percent from the 123.1 million sold in 1963. Combined sales of cigars and cigarillos dropped slightly to 3.1 million pounds from 3.2 million in 1963. Also, the combined sales of cut tobacco and snuff, at 9.2 million pounds, were down 6.3 percent from the previous year's level of 9.9 million. However, sales of imported products, principally cigarettes, continued to rise and amounted to 5.1 million pounds, compared with 4.9 million in 1963.

India's Black Pepper Exports Smaller

India's 1964 exports of black pepper totaled 36.2 million pounds, down 13 percent from 1963 and the smallest since 1959. Exports to the United States—formerly the largest buyer of Indian pepper—fell sharply to only 3.6 million pounds, less than half the 1963 shipments.

The USSR was the largest market, taking 10.6 million pounds, or 29 percent of the total. East European countries, together with the USSR, accounted for over half of India's pepper exports.

Cotton Consumption Up Slightly in Chile

Cotton consumption by Chilean mills was at a slightly higher rate during the first half of the current season (August-January) than in the same period a year ago.

Consumer demand is stronger and total consumption may reach a record 125,000 bales (480 lb. net) this season, 5 percent above offtake in 1963-64 and 18 percent above annual average consumption of 106,000 bales in the past five seasons. At the current consumption rate, about 78 percent of total spinning capacity is being utilized.

Cotton imports into Chile in 1964-65 are expected to reach a record 125,000 bales this season, compared with 118,000 a year ago and the 5-year average of 110,000. In 1963-64 the United States exported about 3,000 bales of cotton to Chile. Peru continues to be the principal source of Chilean imports.

Prices for U.S. cotton on March 1, c.i.f. Valparaiso, were GM 1 1/16 inches, 33.25 U.S. cents per pound; SM 1 1/16 inches, 31.92; and SLM 1 inch, 29.90.

Argentine Cotton Estimate Revised Upward

The estimate of Argentina's 1964-65 cotton crop was recently revised upward by 50,000 bales (480 lb. net) to 600,000. This is 33 percent above last season's crop of 450,000 bales and 18 percent above annual average production of 507,000 bales during the past five seasons. (See *Foreign Agriculture*, April 26, 1965.)

Argentina May Export More Edible Vegetable Oil

Argentina's output of edible vegetable oils in the marketing year which began April 1, 1965, will gain markedly and is expected to result in increased exports. This gain reflects principally an increase in the production of sunflowerseed and peanuts because of acreage expansion and higher yields.

Although most of the increased sunflowerseed oil production is expected to be domestically consumed, the larger availabilities will probably stimulate exports of peanut oil. Because of a tight supply situation, about 20,000 tons of edible oils, largely soybean oil, were imported in 1964-65 to supply domestic needs.

The 1964-65 Argentine sunflowerseed crop is, according to the second official estimate, now placed at 707,000 metric tons compared with the first estimate of 700,000. This is markedly above the final estimate of 460,000 tons produced in 1963-64.

Peanut production in 1964-65, according to the first official estimate, is placed at 420,000 tons compared with 333,000 in 1963-64.

ARGENTINE EDIBLE VEGETABLE OILS 1962-65[1]

Item	1962	1963[2]	1964[3]	1965[4]
SUPPLY	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Stocks, April 1	22	[5]8	[5]3	[5]7
Production:				
Sunflower	210	119	115	178
Peanut	107	78	75	90
Cottonseed	17	23	17	20
Olive	7	7	10	10
Others[6]	9	10	10	10
Total production	350	237	227	308
Imports:				
Soybean	--	--	18	--
Sunflower	--	--	2	--
Total supply	372	245	250	315
DISTRIBUTION				
Exports:				
Sunflower	12	1	--	17
Peanut	107	29	--	35
Cottonseed	13	--	--	1
Olive	10	7	8	9
Others[6]	--	--	--	--
Total exports	142	37	8	62
Domestic disappearance	200	205	235	240
Stocks, March 31	30	[5]3	[5]7	[5]13
Total distribution	372	245	250	315

[1] Season beginning April 1. [2] Revised. [3] Partly estimated. [4] Estimated. [5] Crude oil only. [6] Includes rape, grape, corn, and other oils.

Uruguay's Edible Oil Import Requirements

Present estimates indicate that Uruguay will need to import about 14,000 metric tons of edible oils to meet consumption requirements throughout 1965. It is expected that preference will be given to sunflowerseed oil, if it is available at prices fairly close to those of oils such as soybean and cottonseed. (Sunflower oil is preferred by consumers for home cooking.)

A government decree issued on March 18 authorized the National Subsistence and Price Control Council to import 50,000 tons of sunflowerseed, or its equivalent in other oilseeds or oils, which may be required to cover the deficit of edible oils in the local market. Under the authority of this decree, bids were opened until April 6 and 7 for the purchase of oilseeds and edible oils (*Foreign Agriculture*, April 5, 1965). Bids were offered for sunflower, peanut, and soybean oils and for soybeans, but the only one accepted was for 2,000 tons of sunflowerseed oil to be imported from Argentina.

Bids were then reopened for soybeans, sunflowerseed, and peanuts, with May 11 the closing date. The extent to which bids for oilseeds will be accepted is not known. With the passage of the amendment to the Uruguayan "P.L. 480" law by the Uruguayan Senate there is now an interest in obtaining crude soybean oil under P.L. 480.

URUGUAY'S SUPPLY AND DISTRIBUTION OF EDIBLE FATS AND OILS

Item	1964	Forecast 1965
SUPPLY		
Stocks, January 1	1,718	3,023
Production:		
Sunflowerseed oil	14,320	5,680
Peanut oil	1,970	550
Other	8,634	8,650
Total	24,924	14,880
Imports:		
Sunflowerseed oil	1,300	6,300
Peanut oil	8	800
Other	287	6,430
Total	1,595	13,530
Total supply	28,237	31,433
DISTRIBUTION		
Domestic consumption:		
Sunflowerseed oil	14,170	13,100
Peanut oil	1,800	1,550
Other	7,902	14,171
Total	23,872	28,821
Exports	1,342	1,100
Ending stocks, December 31	3,023	1,512
Total distribution	28,237	31,433

Ministry of Livestock and Agriculture, trade and other sources.

Tung Oil Shipments From Buenos Aires

Shipments of tung oil from Buenos Aires during August-March 1964-65, at 15,697 short tons, were 16 percent below the 18,752 tons shipped in the comparable period of 1963-64. The decline principally reflected reduced movements from Paraguay.

Shipments to the United States, which in aggregate accounted for 56 percent of the total, were above those of the 1963-64 period by more than one-half.

Preliminary data, although yet incomplete, indicate that April shipments from both Argentina and Paraguay were sharply above those in March.

TUNG OIL SHIPMENTS FROM BUENOS AIRES[1]

Origin and destination	February 1965[2]	March[2] 1964	March[2] 1965	August-March[2] 1963-64	August-March[2] 1964-65
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*
Argentina:					
To U.S.	357	---	494	1,955	6,593
To other countries[3]	1,054	1,644	390	10,805	5,966
Total	1,411	1,644	884	12,760	12,559
Paraguay:					
To U.S.	211	813	155	3,872	2,190
To other countries[3]	357	2	100	2,120	948
Total	568	815	255	5,992	3,138
Total:					
To U.S.	568	813	649	5,827	8,783
To other countries[3]	1,411	1,646	490	12,925	6,914
Grand total	1,979	2,459	1,139	18,752	15,697

[1] Presumed to represent virtually all of the tung oil exported from Argentina and Paraguay. [2] Preliminary. [3] Largely to West European countries.

Compiled from shipments data, *Boletín Marítimo*, Buenos Aires.

Congo's Exports of Palm Products

Exports of palm products from the Republic of the Congo (Leopoldville) during 1964, according to the Societé Congolaise de Surveillance, were palm oil 127,500 metric tons, palm kernel oil 45,700, and palm kernels 1,100.

The 1963 official export figures totaled 143,100 tons for palm oil, 32,000 for palm kernel oil, and 3,000 for palm kernels.

Netherlands Imports of Oilseeds, Fats and Oils

The Netherlands 1964 imports of oil-bearing materials, at over 850,000 metric tons, increased by about one-fifth from those in 1963.

Most of the gain was in imports of soybeans from the United States, which in 1964 accounted for 53 percent of the total oilseed imports compared with only 44 percent in 1963. Soybean imports from Mainland China, however, declined to 5,171 tons from 13,134 in 1963.

Imports of other oil-bearing materials were also up. A moderate increase in copra imports reflected larger takings from Indonesia, although purchases from the Philippines, the major supplier, declined. Imports of palm kernels made some gains because of increased takings from Nigeria and Sierra Leone, and those of flaxseed—largely from the United States—were up significantly, to 60,848 tons from 37,764 in 1963.

Imports of selected fats and oils by the Netherlands in 1964 declined slightly from the high level of 1963. There were, however, significant changes within the total. Increased imports of soybean and cottonseed oils displaced, in part, those of peanut and sunflowerseed oils. Purchases of marine oils declined, reflecting reductions in imports of fish oil from the United States and whale oil from Norway. Palm oil imports from Indonesia and the Congo (Leopoldville) made substantial gains, as did linseed oil imports from Argentina.

THE NETHERLANDS IMPORTS OF OIL-BEARING MATERIALS AND SELECTED FATS AND OILS

Item	1962	1963	1964
	Metric tons	*Metric tons*	*Metric tons*
Oil-bearing materials:			
Peanuts[1]	54,043	39,188	42,225
Soybeans	366,450	311,545	451,499
Copra	107,311	125,805	132,196
Palm kernels	130,489	127,490	134,453
Flaxseed	68,185	60,618	76,459
Castorbeans	2,833	3,968	2,292
Others	37,108	35,423	11,474
Total	766,419	704,036	850,598
Fats and oils:			
Cottonseed oil	371	1,300	3,108
Peanut oil	5,976	11,504	6,207
Soybean oil	10,116	19,442	26,682
Rapeseed oil	5,442	5,986	4,051
Sunflowerseed oil	5,670	9,415	5,235
Palm oil	54,499	68,443	73,783
Linseed oil	9,460	11,903	15,229
Whale and sperm oil	34,127	26,439	21,871
Fish oil[2]	42,850	63,078	57,571
Total	168,511	217,510	213,737

[1] Shelled basis. [2] Excludes liver oil.
Compiled from official sources.

Italian Imports of Oilseeds and Oils Down Sharply

Italy's imports of vegetable oil-bearing materials and oil in 1964 (oil-equivalent basis) declined by one-fourth, or about 110,000 metric tons, from the high level of 1963. This drop was the result of the record outturn of olive oil in 1963-64 accented by higher seed oil production in 1964, chiefly grapeseed oil.

Most of the decline was reflected in reduced imports of edible olive oil, largely from Turkey, Tunisia, Spain, Syria, and Morocco. Imports of other vegetable oils remained virtually unchanged in aggregate, with soybean oil replacing some takings of peanut and sunflower oils.

Imports of oil-bearing materials, as such, declined by 12 percent, or by 16 percent, oil-equivalent basis. This differ-

ence reflects the sharply reduced takings of peanuts and rapeseed, which are relatively high in oil content. However, imports of soybeans, which have a relatively low oil content, declined only slightly.

ITALIAN IMPORTS OF SELECTED OIL-BEARING MATERIALS AND VEGETABLE OILS

Item	1961	1962	1963	1964
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Oil-bearing materials:				
Cottonseed	38	529	343	449
Peanuts[1]	73,385	80,992	177,309	129,765
Soybeans	204,646	337,301	334,795	324,910
Sunflowerseed	93,155	32,225	62,176	66,862
Rapeseed	64,854	103,364	91,034	65,112
Sesameseed	19,765	20,687	32,507	26,752
Mustardseed	128	313	216	---
Poppyseed	348	(2)	(2)	(2)
Hempseed	474	460	515	513
Copra	19,443	23,717	27,457	24,437
Palm kernels	254	300	473	689
Flaxseed	13,009	14,029	4,333	3,917
Castorbeans	9,436	9,464	11,672	8,159
Others	2,896	4,840	4,384	8,978
Total	501,831	628,221	747,214	660,543
Oil equivalent	156,443	178,803	232,756	194,934
Vegetable oils:				
Cottonseed	204	30	8	24
Peanut	85	905	1,580	316
Soybean	10,389	2,146	3,108	6,459
Sunflower[3]	1,873	136	3,823	1,786
Rapeseed	824	1,674	1,001	178
Sesame	24	14	49	---
Olive[4]	98,739	112,230	128,371	57,086
Coconut	28,485	17,786	15,349	15,998
Palm	24,756	25,525	27,955	28,489
Palm kernel	---	7,765	7,011	7,478
Linseed	15,816	15,978	16,468	15,767
Castor	72	117	148	84
Tung	1,474	1,595	1,470	1,158
Others	664	892	72	139
Total	183,405	186,793	206,413	134,962
Grand total, oil equivalent	339,848	365,596	439,169	329,896

[1] Shelled basis. [2] Not separately classified. [3] Includes corn oil. [4] Excludes sulfur oil. [5] Includes some illipe and palm oil.
Italian Central Institute of Statistics.

Japan's Rice Imports Still Climbing

Rice purchases by Japan continue to mount rapidly. Through the first half of the current marketing year (November-October), they had risen to 722,000 tons of brown, milled, and broken rice—almost double the 388,000 tons for all of 1963-64, nearly triple the 1960-64 average of 250,000, and the largest volume in 8 years.

Helping to inflate the total is the recent purchase of 120,000 tons of short grain rice from Mainland China, delivery of which is to be concluded by October. This is the first Japanese import of rice from China since 1958 and apparently came because of Japan's inability to obtain rice from either Taiwan or the Republic of Korea.

The Communist Chinese rice reportedly was bought at about $161 per metric ton—somewhat below that for Taiwan. Trade sources set the price of it at about 53 to 54 pounds sterling (US$148 to US$151) per metric ton, f.o.b. China port.

The United States has also been a big supplier—the largest thus far—accounting for 190,000 tons of Japan's total rice purchases. Japanese imports from the United States thus far—125,000 tons of California rice and 65,000 of Nato from Southern United States—are 84,000 tons over the total for full-year 1963-64 (See *Foreign Agriculture*, April 5, 1965).

JAPAN'S RICE PURCHASES

Year and origin	Short and medium grain	Long grain	Brokens	Total
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
1963-64[1]				
Burma	--	36	--	36
Cambodia/Vietnam	--	--	10	29
Spain	29	--	--	29
Taiwan	93	--	--	93
Thailand	--	28	86	114
United States, California brown	106	--	--	106
Total	228	64	96	388
1964-65[1]				
Burma	--	45	--	45
Cambodia/Vietnam	--	--	10	10
Communist China	120	--	--	120
Korea, Republic of	14	--	--	14
Spain	33	--	--	33
Taiwan	165	--	--	165
Thailand	--	65	80	145
United States:				
California brown	125	--	--	125
So. Nato milled	65	--	--	65
Total	522	110	90	722

[1] Marketing year, November-October.

France's Trade in Butter Declines

France's exports of butter during 1964, at 78 million pounds, were 13 percent less than in 1963. Most of the decline was in reduced sales to the more important markets, with the exception of the United Kingdom which increased its purchases 50 percent to 19 million pounds. Shipments to West Germany, at 16 million pounds, were down by 2 million pounds from 1963. Italy's purchases were down by 9 million pounds to 14 million, and Algeria's by 6 million to 9 million. Slightly larger sales were made to several smaller markets, among them Morocco, Senegal, and Tunisia.

Imports of butter rose 6 million pounds to 13 million, of which 9 million came from the United States.

U.K. Imports of Soft Fiber Decrease

U.K. imports of jute, flax, and hemp fibers in 1964 totaled 174,036 long tons valued at $57.9 million as compared with 189,195 valued at $60.6 million in 1963. Purchases in 1964 were 8 percent less in quantity and 5 percent less in value than in 1963.

A breakdown by volume of the 1964 imports (1963 data in parentheses) is jute, including tow and waste, 119,395 tons (132,654); flax, 26,372 (27,839); flax tow and waste, 16,163 (15,466); true hemp, including tow, 3,969 (5,604); sunn hemp, plus tow, 8,137 (7,632).

The unit values of 1964 imports, in cents per pound, were jute 12.1; flax 29.0; flax tow and waste 14.3; true hemp 13.4; and sunn hemp 10.9.

Japan To Purchase Sugar From Southern Rhodesia

It was recently announced that Japan has guaranteed to purchase 50,000 long tons (56,000 short tons) of sugar from Southern Rhodesia. Shipment will be prior to August 1966, and the price would be based on the daily London sugar price.

Other world markets for Southern Rhodesia's sugar are to be explored, as production by 1968 is anticipated at 500,000 short tons. Production at this level would allow exports of about 400,000 tons.

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Japanese Fats and Oils

(Continued from page 5)

how, and even patent rights, all of which will be a boon to the industry. Margarine will be one of the items manufactured on a large scale.

Several firms are reported as engaged in intensive research on ways to provide new and better food products made from fats and oils and protein-rich commodities.

Demand for meals and cakes from oil-bearing sources is expected to continue its steady increase along with the expansion of the livestock and poultry industries. What primarily limits the rate of this increase is the matter of availability at reasonable prices. Last year, Japan supplemented its 1.8-million-ton output of oilcakes and meal (mostly from imported oilseeds) by imports of 101,000 tons. Of this, some 20,000 tons—cottonseed cake and soybean cake—came from the United States. This February, the Japanese feed industry got approval for 15,000 tons more of the U.S. soybean meal to be shipped during the spring.

Mixed feed production is still rising, and the use of soybean meal as an ingredient may be further stimulated by recent improvements in Japanese soybean crushing and processing facilities—notably, the opening last year of a mill equipped to produce high-quality toasted meal.

For the last several months, the poultry industry—main customer for mixed feed—has been concerned over the extremely low prices that have prevailed for eggs. Vigorous efforts to promote egg consumption, now being made in Japan by the U.S. Feed Grains Council, may help to solve this problem and maintain the demand for mixed feed.

Chinese soybean availabilities rose last year and are expected to rise further in 1965; but the final level of Japan's 1965 soybean imports from Communist China will depend on political developments between the two countries.

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